	in Part - Sanitized Copy Approved for Release 2012/09/24: CIA-RDP08C01297R00040037000  NG TELEGRAM Department of State  GD/H	
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SP SAH L	FM/AMEMBASSY RIODEJANETE C/ TO RUEHC/SECSTATE WASHDC (2909) INFO RUESAS/AMEMBASSY ASUNCION 92 STATE GRNC BT UNCLAS JUNE 24	STA
H IO P USIA NSC INR GIA NSA DOD AID E INT	1. FOLLOWING IS FREE TRANSLATION OF PROVISIONS OF NINE PONT FOZ DO IGUACU AGREEMENT REACHED BY FONMIN MAGALHAES AND SAPENA PASTOR AS RELEASED BY FONOFF: ON JUNE 21 AND 22, 1966, FOREIGN MINISTER OF BRAZIL JURACY MAGALHAES AND THE MINISTER' OF PARAGUAY RAUL SAPENA PASTOR MET AT FOZ DO IGUACU AND AT PORTO PRESIDENTE STROESSNER FOR PUR POSE OF REVIEWING VARIOUS ASPECTS OF RELATIONS BETWEEN TWO COUNTRIES, INCLUDING RECENT POINTS OF DIVERGENCY BETWEEN TWO FONOFFS. AFTER SEVERAL MEETINGS OF PERSONAL NATURE AND OTHERS IN PRESENCE OF RESPECTIVE DELEGATION FONMINS OF BRAZIL AND PARAGUAY CAME TO FOLLOWING CONCLUSIONS: A. TWO MINISTERS AGREED REAFFIRM TRADITIONAL FRIENDSHIP BETWEEN TWO BHOTHER PEOPLES, FOUNDED ON MUTUAL RESPECT, WHICH CONSTITUTES INDESTRUCTIBLE BASIS OF RELATIONS BETWEEN TWO COUNTRIES.	ons,
RSR	B. THEY EXPRESSED LIVELY DESIRE OVER COME, WITHIN SAME SPIRIT OF GOOD WILL AND HARMONY, ANY DIFFICULTY OR PROBLEM, SEEKING COMPATIBLE SOLUTIONS IN INTERESTS OF BOTH NATIONS.	
	C. THEY PROCLAIMED INTENTION BOTH GOVERNMENTS CARRY OUT, BY COMMON CONSENT, A STUDY AND SURVEY OF ECONOMIC POSSIBLILITIES OF SALTO GRANDE DE SETE QUEDAS OR SALTO DE GUAIRA, PARTICULARLY HYDRAULIC RESOURCES BELONGING IN CONDOMINIUM TO BOTH COUNTRIES.	
	D. THEY AGREED THAT FROM NOW ON ELECTRIC ENERGY EVENTUALLY PRODUCED BY FALL OF PARANA RIVER, FROM AND INCLUDING SALTO GRANDE DE SETE QUEDAS OR SALTO DE GUAIRA TO MOUTH OF IGUACU, WILL BE DIVIDED IN EQUAL PARTS BETWEEN TWO COUNTRIES, EACH ONE HAVING THE RIGHT OF PREFERENCE IN ACQUISITION OF ENERGY AT JUST PRICE, WHICH WILL IN DUE TIME BE FIXED BY SPECIALISTS OF BOTH COUNTRIES, OF ANY QUANTITY NOT UTILIZED IN THE SUPPLY OF NEEDS OF CONSUMPTION OF OTHER COUNTRY.	
	E. THE TWO MINISTERS AGREED PARTICIPATE IN MEETING OF FORMINS OF BORDERING STATES OF BACIA DO PRATA TO BE HELD IN BUENOS	
	UNCLASSIFIED 19	

## UNCLASSIFIED

- -2- 2909, FROM RIO DE JANEIRO, JUNE 24

  AIRES AT INVITATION OF GOA, IN ORDER STUDY COMMON PROBLEMS
  OF AREA, WITH VIEW TO PROMOTING FULL UTILIZATION OF NATURAL
  RESOURCES OF REGION AND ITS ECONOMIC DEVELOPMENT, IN BENEFIT
  OF PROSPERITY AND WELFARE OF POPULATIONS: AS WELL AS TO
  REVIEW AND SOLVE JURIDICAL PROBLEMS CONCERNING NAVIGATION,
  DEMARCATION, DREDGING, PILOTING ON RIVERS BELONGING TO PRATA
  SYSTEM, THE EXPLOITATION OF ENERGY POTENTIAL OF SAME AND THE
  CANALIZATION, DAMMING OR RETENTION OF THEIR WATERS, EITHER
  FOR IRRIGATION PURPOSES OR FOR THE REGULARIZATION OF RESPECTIVE
  OUTLETS, OF PROTECTION OF THEIR BANKS OR FACILITATION OF
- F. THEY AGREED THAT RESPECTIVE NAVIES OF BOTH COUNTIES WILL PROCEED, WITHOUT DELAY, TO DESTRUCTION OR REMOVAL OF SUNKEN HULLS WHICH PRESENTLY ARE RISKS TO INTERNATIONAL NAVIGATION IN WATERS OF PARAGUAY RIVER.
- G. CONCERNING WORK OF MIXED BOUNDARY COMMISSION AND CHARACTERIZATION OF BRAZIL-PARA
- CFAPKCTGOY, MINISTERS DECIDED THAT SUCH WORK WILL PROCEED ON DATE BOTH GOVERNMENTS DEEM CONVENIENT.
- H. FINALLY, TWO MINISTERS CONGRATULATED EACH OTHER ON CONSTRUCTIVE SPIRIT THAT PREVAILED DURING TALKS AND EXPRESSED HOPE FOR CONSTANTLY INCREASING AND FRATERNAL UNION BETWEEN BRAZIL AND PARAGUAY, COMMITTING THEMSELVES TO SPARE NO EFFORT TO STRENGTHEN EVEN MORE TIES OF FRIENDSHIP WHICH UNITE TWO COUNTRIES.
- I. THE PRESENT ACT WITH COPIES IN PORTUGUESE AND SPANISH AFTER BEING READ AND APPROVED WAS SIGNED AT FOZ DO IGUACU BY THE MINISTER OF FOREIGN AFFAIRS OF BRAZIL AND PARAGUAY ON JUNE 22, 1966.
- 2. FOLL OW ING IS FREE TRANSLATION OF SEPARATE GOB MEMO ON "MILITARY QUESTION" ISSUED AT END OF CONFERENCE AS RELEASED BY FONOFF JUNE 23: "GOB CONVINCED OF RIGHTS THAT BOUNDARY TREATY OF JANUARY 9, 1872, ATTRIBUTES TO IT, BUT / WISHING CONTRIBUTE TO TOTAL RELAXATION OF TENSIONS WHICH HAVE BEEN DAMAGING FRIENDLY RELATIONS BETWEEN BRAZIL AND PARAGUAY, HAS RESOLVED IN FULL EXERCISE ITS TERRITORIAL SOVEREIGNTY, TO REMOVE SMALL MILITARY DETACHMENT STATIONED IN THE ZONE OF PORTO CORONEL RENATO." RAINE
- \* AS RECEIVED. CORRECTION TO FOLLOW.